

RE: Wyoming PRB Pending LBAs

Pursuant to our discussion with Hans Daniels regarding upcoming federal coal sales in the Wyoming PRB, the following summarizes the Lease Buy Applications currently pending with the Wyoming Bureau of Land Management.

<u>LBA</u>	<u>Company/Mine</u>	<u>Application Date</u>	<u>Tonnage</u>
2006 Porcupine	Peabody/North Antelope/Rochelle	9-27-06	598.0 MMT
2006 Maysdorf II	Rio Tinto/Cordero-Rojo	8-31-06	483.0 MMT
2006 Hay Creek II	Kiewit/Buckskin	3-23-06	148.0 MMT
2006 West Jacobs Ranch	Rio Tinto/Jacobs Ranch	3-22-06	956.0 MMT
2006 West Caballo	Peabody/Caballo	3-14-06	87.5 MMT
2006 West Coal Creek	Arch/Coal Creek	2-10-06	57.0 MMT
2006 West Hilight Field	Arch/Black Thunder	1-17-06	428.0 MMT
2005 Hilight Field	Arch/Black Thunder	10-7-05	588.2 MMT
2005 West Antelope II	Rio Tinto/Antelope	4-6-05	429.7 MMT
2004 North Extension	RAG/Belle Ayr	6-30-04	200.0 MMT
2001 Maysdorf	Rio Tinto/Cordero-Rojo	9-20-01	616.4 MMT
		Modified	296.3 MMT
		Modified	135.6 MMT
		11-9-04 Modified	230.3 MMT
2001 West Extension	RAG/Eagle Butte	12-28-01	200.0 MMT
		10-16-03 Modified	231.0 MMT

I recently provided a summary of the most recent Wyoming PRB federal coal sales (shown below). From the date of LBA submittal to the sale date, the federal coal leasing process appears to typically involve a four to five year time frame. Assuming similar time frames associated with the pending LBAs, future federal coal sales and coal company bonus bid expenditures, recently in the area of \$1/ton, would most likely occur in the 2010 to 2011 time frame. A couple of exceptions could be the LBAs submitted in 2001. However, these two applications were modified 2 or 3 years after submittal which one might assume would move the sale date back accordingly.

<u>Company</u>	<u>LBA</u>	<u>Application Date</u>	<u>Sale Date</u>	<u>Lease Effective Date</u>
Triton	West Roundup	7-28-00	2-16-05	5-1-05
Peabody	North NARO	3-10-00	12-29-04	3-1-05
Kennecott	West Antelope	9-12-00	12-15-04	3-1-05
Triton	Hay Creek	8-31-00	11-17-04	1-1-05
ARCH	Little Thunder	3-23-00	9-22-04	3-1-05
Peabody	South NARO	3-10-00	6-29-04	9-1-04